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BEFORE THE ARIZONA CORPORATION**COMMISSIONERS**

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

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AZ CORP COMMISSION
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2014 SEP 12 AM 11 29

IN THE MATTER OF THE APPLICATION OF
EPCOR WATER ARIZONA, INC., AN ARIZONA
CORPORATION, FOR A DETERMINATION OF
THE CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR INCREASES
IN ITS RATES AND CHARGES FOR UTILITY
SERVICE BY ITS MOHAVE WATER DISTRICT,
PARADISE VALLEY WATER DISTRICT, SUN
CITY WATER DISTRICT, TUBAC WATER
DISTRICT, AND MOHAVE WASTEWATER
DISTRICT.

DOCKET NO. WS-01303A-14-0010

Arizona Corporation Commission

DOCKETED

SEP 12 2014

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PROCEDURAL ORDER**BY THE COMMISSION:**

On March 10, 2014, EPCOR Water Arizona, Inc. ("EPCOR" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a determination of the fair value of its utility plant and property and for increases in its water and wastewater rates and charges for utility service by its Mohave Water District, Paradise Valley Water District, Sun City Water District, Tubac Water District, and Mohave Wastewater District.

On April 4, 2014, the Commission's Utilities Division ("Staff") issued a Letter of Sufficiency pursuant to Arizona Administrative Code ("A.A.C.") R14-2-103, and classified the Company as a Class A utility.

To date, intervention has been granted to the Residential Utility Consumer Office ("RUCO"), the Santa Cruz Valley Citizens Council, Marshall Magruder, the Town of Paradise Valley, the Water Utility Association of Arizona, Delman E. Eastes, Paradise Valley Country Club, and jointly to the Sanctuary Camelback Mountain Resort & Spa, JW Marriott Camelback Inn, and Omni Scottsdale Resort & Spa at Montelucia.

On July 22, 2014, the Commission voted at a Staff Open Meeting to conduct a public comment meeting in Tubac, Arizona.

1 On August 14, 2014, Staff filed a Request to Extend the Date for Intervention. Staff stated
2 that the Commission has determined, through Decision No. 74588 (July 30, 2014), that information
3 regarding consolidation and deconsolidation of the Company's wastewater systems should be
4 considered in Docket No. SW-01303A-09-0343, et al., and that the Commission's consideration of
5 the consolidation/reconsolidation issues could impact customers in the Mohave Wastewater District.
6 Therefore, Staff requested that the intervention deadline in the above-captioned case be extended
7 from July 1, 2014 to September 19, 2014.

8 On August 15, 2014, Staff filed a Supplement to Request to Extend the Date for Intervention.
9 Staff stated that the intervention deadline extension should apply to any person or entity with an
10 interest in the Company's wastewater rates.

11 On August 19, 2014, a Procedural Order was issued granting Staff's Request to Extend the
12 Date for Intervention until September 19, 2014.

13 On August 20, 2014, RUCO filed a Motion to Continue all Procedural Deadlines, Continue
14 Hearing, and for Tolling of the Rate Case Time-Clock ("Motion"). In its Motion, RUCO asserted
15 that the Company's responses to certain of RUCO's data requests have been inadequate and, as a
16 result, RUCO is unable to adequately prepare testimony in this proceeding by the current filing
17 deadline (October 3, 2014). RUCO requested that the due date for filing intervenor testimony be
18 extended by 120 days, that all other procedural deadlines and the hearing date be extended
19 accordingly, and that the time clock be extended by 120 days.

20 On August 25, 2014, EPCOR filed a Response to RUCO's Motion to Continue all Procedural
21 Deadlines, Continue Hearing, and for Tolling of the Rate Case Time-Clock. EPCOR claimed that
22 responding to RUCO's and Staff's data requests has been challenging; that the Company has
23 responded to RUCO's discovery requests through ongoing updated responses; and that some of
24 RUCO's concerns are not discovery issues but are related to positions that may be disputed between
25 the parties. EPCOR proposed that the procedural schedule, hearing date, and time clock be extended
26 by no more than 30 days; that a ruling be made that the Company's responses to Staff data requests 1-
27 17 and RUCO data requests 1-11 are complete; and that the Company be directed to respond to all
28 additional data requests in a timely manner, but in no more than 10 days from receipt.

1 On August 28, 2014, RUCO filed a Reply to the Company's Response to RUCO's Motion to
2 Continue all Procedural Deadlines, Continue Hearing, and for Tolling of the Rate Case Time-Clock.
3 RUCO argued that the issues raised in its Motion are not about substantive positions, but rather about
4 discovery responses and supporting information. RUCO claimed that the Company failed to provide
5 useable plant schedules until two and one-half months after being requested, and that EPCOR
6 recently provided revised plant schedules for two of the Company's systems. RUCO contends that
7 certain of the depreciation rates used by the Company were previously in error and later corrected
8 through discussions with RUCO. RUCO argues that EPCOR was not prepared to file a rate case for
9 the systems in this proceeding and RUCO should not be denied an opportunity to prepare its case due
10 to the Company's actions.

11 On September 5, 2014, a Procedural Order was issued which, among other things, scheduled a
12 procedural conference for September 16, 2014.

13 On September 8, 2014, RUCO filed a Request to Change Procedural Conference Date.

14 On September 9, 2014, EPCOR filed a Response to RUCO's Request to Change Procedural
15 Conference Date.

16 On September 9, 2014, a Procedural Order was issued rescheduling the September 16, 2014
17 Procedural Conference for September 12, 2014.

18 On September 11, 2014, Mr. Magruder filed his Response and Recommendation to the
19 RUCO's Request to Change Procedural Conference Date.

20 On September 11, 2014, Santa Cruz Valley Citizens' Council filed an Application for Leave
21 to Telephonically Participate in September 12, 2014 Procedural Conference.

22 On September 12, 2014, a Procedural Conference was held as scheduled to discuss RUCO's
23 Motion. At the Procedural Conference, it was determined that another Procedural Conference should
24 be scheduled in approximately 30 days to discuss progress between the parties regarding disputed
25 discovery issues and setting a revised procedural schedule in this matter.

26 IT IS THEREFORE ORDERED that a **Procedural Conference shall be scheduled for**
27 **October 15, 2014, at 10:00 a.m., at the offices of the Commission, 1200 West Washington Street,**
28 **Phoenix, Arizona 85007, Hearing Room No. 1.**

1 IT IS FURTHER ORDERED that **all current procedural deadlines are stayed until**
2 **further order of the Commission.**

3 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
4 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
5 *pro hac vice*.

6 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
7 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
8 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
9 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
10 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
11 Administrative Law Judge or the Commission.

12 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
13 Communications) continues to apply to this proceeding and shall remain in effect until the
14 Commission's Decision in this matter is final and non-appealable.

15 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
16 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

17 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
18 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
19 hearing.

20 DATED this 12th day of September, 2014.

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23 DWIGHT D. NODES
24 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

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27 ...

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Copies of the foregoing mailed
this 2nd day of September, 2014, to:

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